



CAM No. 03-1

C-03-001

**Stockton Service Contract (Wastewater, Water and Stormwater Utilities)
Contract Administration Memorandum No. 03-1
February 19, 2003**

This CONTRACT ADMINISTRATION MEMORANDUM ("CAM") is made pursuant to Section 17.2 of the Service Contract for Wastewater, Water and Stormwater Utilities Capital Improvements and Asset Management between the City of Stockton, California (the "City") and OMI/Thames Water Stockton, Inc. (the "Company") dated February 19, 2003 (the "Service Contract") for the purpose of confirming the agreement of the parties as to matters of interpretation and application which have arisen under the performance and implementation of the Service Contract. All capitalized terms used, but not defined, herein shall have the meanings set forth in the Service Contract.

Subject: Designation of Company Contract Representative

Set forth below are the understandings of the City, the Company and the Guarantors with respect to the designation of the Contract Representative of the Company under the definition of "Contract Representative" in Section 1.1 of the Service Contract.

1. Gary Miller, Chairman and Executive Vice President of OMI/Thames Water Stockton, Inc. and Executive Vice President of OMI, Inc., is hereby designated as the "Contract Representative" of the Company for all purposes of the Service Contract.

2. The Contract Representative of the Company is hereby authorized to bind the Company through the execution of all CAM's made subsequent to this CAM No. 03-1 and pursuant to Section 17.2 of the Service Contract. For a CAM to have the binding effect contemplated by Section 17.2 of the Service Contract, the CAM need only be executed by the Contract Representative and not by representatives of the Guarantors or other representative of the Company.

3. The City shall have the right to approve any candidate proposed by the Company to replace Gary Miller as the "Contract Representative" of the Company for all purposes of the Service Contract, such approval not to be unreasonably withheld.

This CAM contains the entire agreement between the parties with respect to the designation of the Contract Representative of the Company under the definition of "Contract Representative" in Section 1.1 of the Service Contract and supersedes all oral negotiations and prior writings with respect thereto.

This CAM may be executed in any number of original counterparts. All such counterparts shall constitute one and the same CAM.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this CAM to be executed by their duly authorized representatives as of the day and year first above written.

CITY OF STOCKTON,
SAN JOAQUIN COUNTY, CALIFORNIA

Signature: _____

Printed Name: MARK LEWIS

Title: _____

OMI/THAMES WATER STOCKTON, INC.

Signature: _____

Printed Name: Mark J. Madison

Director of Municipal Utilities



Signature: _____

Printed Name: George L. Miller

Title: _____

Chairman and Executive VP

Signature: _____

Printed Name: WILLIAM MALONEY

Title: _____

PRESIDENT

APPROVED AS TO FORM

CITY ATTORNEY
BY: Doreen A. Calkins
Deputy City Attorney